

BREAD AND DEMOCRACY IN GREECE

A Case Study in Marshall Plan Politics

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THE vegetable man was of course somewhat amused by my stumbling pidgin Greek, but he was also pleased—particularly because he could speak no English. He was even more pleased to learn that I was an American. “Americans,” he declared, “are good people.” I said that I thought people were pretty good everywhere in the world. “But in America it is good, here it is no good,” he replied. “In America you have socialism; here we have no socialism.” It took quite a bit of explaining to persuade him that, while in America the ordinary man was indeed well off, we did not actually have socialism. But I think that conversation does deserve to be set down as one of the more successful efforts of American propaganda, since the explanation satisfied him so well that he ended up by presenting me with a peach.

My vegetable man was expressing in a somewhat crude form the feeling that the average Greek worker or peasant has about the United States. For to most Greeks the United States is, par excellence, the country where an ordinary man gets a break. This

AMERICA'S intervention in helping to repulse the Communist threat in Greece has been a matter of much concern among liberals sensitive to charges of “American imperialism.” Here, MAURICE J. GOLDBLOOM, just returned to this country after serving in Greece as Labor Information Officer to the ECA mission, looks at the record. Mr. Goldbloom maintains that, while Greece has not been transformed into a paragon of the democratic virtues, United States intervention has brought progress and hope to a situation once completely desperate; and he raises the question whether America should not have “interfered” more. Mr. Goldbloom was one of the writers of “The Month in History,” the monthly analysis of world events which ran regularly in COMMENTARY until September 1948.

feeling antedates American aid; it comes primarily from the fact that large numbers of Greeks have friends and relatives in this country who, starting from nothing, have achieved not only comfort for themselves but a surplus to send to the folks at home.

Such sentiments, however, are not to be found equally at all levels of society or in all sections of the political spectrum. Anti-Americanism is not uncommon on the right and among the wealthy, to whom the steps this country has taken toward economic equality—particularly when we suggest that Greece might do well to imitate some of them—are abhorrent. Everything that America stands for—political, social, and educational equality alike—threatens the perpetuation of the oligarchy of speculators, monopolists, and rentiers living on foreign holdings which it is their primary purpose in life to maintain and expand. And since a large proportion of the Greek fortunes today trace at least in part to profitable transactions made under the occupation during the last war, it is not surprising that their possessors have no deep-rooted admiration for American democracy. True, there are few among them so foolish as to desire a complete American withdrawal from Greece. American financial aid they regard as no more than their just due, but American supervision and advice in connection with its utilization they consider wholly unnecessary evils.

So long as the country remained in a state of civil war, conditions were made to order for the realization of right-wing ambitions. Suggestions for reforms could be more or less politely shrugged aside, with a calm assurance based on the knowledge that our national prestige was committed to the defeat of the Communist guerrillas. So long as these remained an active and substantial

menace, American aid could be taken for granted, and American advice could be rejected with impunity. Moreover, domestic critics and political opponents could be denounced indiscriminately as Communists or fellow-travelers. If they were too persistent and not protected by one form or another of "connection," they could be brought before the notorious special courts-martial which had jurisdiction over political offenses and sentenced to long prison terms or even death, or they could be sent to concentration camps by simple administrative action, usually on the recommendation of local security committees—drawn, of course, primarily from ultra-rightist elements.

In Athens itself, conditions were somewhat better than elsewhere in the country, since events in the capital received some degree of newspaper coverage both in Greece and abroad, and the city contained many foreign observers. But in large areas of the countryside, and even in the smaller cities, there was little check on the abuses committed in the name of "anti-Communism" and "nationalism." To be sure, American and British representatives in Greece occasionally intervened to correct particularly flagrant miscarriages of justice when these came to their attention, but only a small proportion of such cases, particularly outside Athens, ever did come to their attention, or could have been dealt with by them even if they had been known. Moreover, both powers—especially our own—were very reluctant to do anything that might be interpreted as interference with Greek administration of internal security problems. Civil servants who hesitated to comply with the wishes of rightist ministers were, of course, even easier to deal with.

UNDER these circumstances it required a certain hardihood for any except the most strongly situated to engage in criticism, and large-scale corruption flourished unchecked. Thus it was later revealed that during this period almost the entire revenues of the Port of Piraeus were stolen by the right-wing politicians who administered it.

(Part of the funds abstracted from the port administration served to subsidize the newspaper *Oi Karoi*, organ of the sometime Prime Minister Constantine Tsaldaris, leader of the rightist Populist party; Tsaldaris's son also got a substantial loan from the embezzler-in-chief.)

While the civil war lasted, economic and fiscal reforms therefore remained well outside the pale of polite conversation. And the Americans were as yet unready to talk impolitely, whatever the provocation. Even taking into account all the difficulties of the situation, it may be legitimately questioned whether British and American policy did enough during this period to strengthen and encourage democratic forces and prevent excesses by the right. But if we were not always so effective as might be wished in pushing for progressive policies, we were certainly not the wellsprings of reaction which some liberal journals were apt to proclaim us. And even during the civil war, Anglo-American influence did succeed in compelling the right to share office—though seldom power—with the moderates, and blocked repeated attempts by the anti-parliamentary section of the right to establish an overt dictatorship.

In the latter half of 1949 the Communist guerrillas, who had received most of their equipment from Yugoslavia, collapsed after the break between Tito and the Cominform. (The reorganization of the Greek army which had taken place under the auspices of Marshal Papagos, supported by the American military mission, had greatly reduced the corruption and political favoritism which had paralyzed it in the early part of the civil war. But despite the substantial increase in military efficiency that resulted, there can be little doubt that the guerrillas would have been able to maintain their resistance considerably longer had they not been deprived of their Yugoslav base.)

THE END of the Communist military threat automatically produced a significant shift in the political situation. On the one hand, rightist politicians could no longer blackmail

the Americans by asserting that any decrease in their support would mean an immediate Communist triumph. On the other, they were no longer able to get away with murder (literally as well as figuratively) in terms of the Greek domestic situation. Where the civil war had driven people into the arms of the right for fear of a Communist victory—or into the arms of the Communists as a reaction against rightist excesses—a process of de-polarization now rapidly developed. Under the caretaker government of John Theotokis, appointed to conduct the parliamentary elections of March 1950, restrictions on civil liberties were relaxed. The elections themselves were relatively free, although significant right-wing terrorism still existed in many rural areas and control of the army and gendarmerie gave rightist candidates an advantage in the military vote.

The elections resulted in a large-scale repudiation of the right. The rightist Populist party, which had an absolute majority in the parliament chosen in 1946 (in an election boycotted not only by the Communists but by most of the non-Communist left and center) lost heavily, both to parties of the center and to splinter parties of the right. While the Populists still remained the largest single party, all the right-wing parties combined polled only about 42 per cent of the vote. Four parties, ranging from left center to right center, received 46 per cent of the total. Most impressive was the success of the left center EPEK (National Progressive Union of the Center), led by General Nicholas Plastiras; this party, formed just before the election, and subject to interference by the gendarmerie in rural areas, polled over one-sixth of the vote. (The Liberals, who were the traditional center party, were distinguished from the parliamentary right principally by a historical—but no longer active—distaste for the monarchy, by a somewhat greater concern for civil liberties, and by their reverence for the name of the late Eleftherios Venizelos. The so-called Democratic Socialist party of George Papandreou took a roughly similar position, the "Socialist" part of its name being no

more significant than in the case of the French Radical Socialist party of Edouard Daladier. In contrast, Plastiras had a real concern, if scarcely a clear-cut program, for economic reform in the interest of the Greek masses.) Almost as striking was the performance of the Democratic Front, which served as the political vehicle of the outlawed Communist party, although most of its candidates were not themselves Communists and a large part of them could not properly be described as fellow-travelers. Unable to campaign freely in many parts of the country, this group nominated candidates in only a limited number of constituencies; yet nationally it polled 10.6 per cent, and in the three largest cities it topped the poll with an average of about 22 per cent of the total.

AS SOON as the voting trend became clear, the leaders of the three major center parties—General Plastiras, Sophocles Venizelos, and George Papandreou—agreed on the formation of a coalition government with Plastiras as Prime Minister. This result was not at all pleasing to the defeated right; it now saw not only the power but the plums of office slipping from its grasp, and Plastiras personally was anathema to it because of his execution of several rightist cabinet ministers in 1922. The court camorra in particular set out to drive a wedge between Plastiras and Venizelos by holding out to the latter the bait of rightist support for a cabinet headed by himself if he would desert the centrist alliance. But when Venizelos, at the urging of the palace, did form such a cabinet, he found himself faced with opposition from an unexpected source.

American and British representatives in Athens made it very clear that they thought a Plastiras government was what the situation required, and that certainly no government dependent on rightist parliamentary support could meet the needs of Greece. In part, this attitude was dictated by considerations of international politics. A rapprochement between Greece and Yugoslavia stood high on the priority list of Western policy, and Washington and London felt that the elimi-

nation of ultra-rightist influence from the Greek government was a prerequisite for this. But in part the decision was also motivated by the belief that Greece required a government capable of carrying out a policy of internal reconciliation, and of cleaning out the rot which had permeated the government.

When more tactful indications of displeasure failed to send Venizelos back to the centrist alliance, American Ambassador Henry Grady sent—and published—a note to the Venizelos government demanding a large number of overdue reforms and making it clear that we would only be satisfied by a government with a parliamentary and popular majority capable of carrying them out. While the note did not of course demand in so many words that a government of the center be formed, with Plastiras as Prime Minister, nobody in Greece had any doubt as to its meaning. Before the new parliament met the Venizelos government had handed in its resignation, and Plastiras was Prime Minister at the head of a three-party coalition.

THE Grady letter brought American prestige in Greece to what was probably the highest point it has so far reached. For once, we had made it clear—both to ourselves and to the Greek people—where we stood. Our intervention had prevented the popular will from being thwarted by backstairs manipulations. American policy had been sharply defined, it had been progressive, and, in alliance with the Greek people, it had carried the day.

The Plastiras government made haste to tackle the agenda of reforms laid down in the Grady letter. Perhaps its most spectacular success was the collection of several million dollars of unpaid back taxes from Greek shipowners, whom it brought to terms by ordering Greek consuls throughout the world to refuse them clearance papers. On the advice of ECA's civil government specialists, the government also took steps to decentralize the administrative system; previously the slightest details of local govern-

ment had required the approval of one or more ministries in Athens. It announced municipal elections, the first since 1934, and replaced the appointed municipal administrations then holding office with judges. (The standards of the ordinary courts in Greece are high, and they have always been held in general respect, unlike other branches of the government.) It reached an agreement with ECA on a comprehensive program of hydroelectric development and power production from Greek lignite, capable of serving as the basis for a substantial increase in Greek industry. It unified and revised civil service salary schedules, in accordance with proposals advanced by the ECA mission, so as to eliminate all secret and supplementary payments. It set out vigorously to reform the fiscal system, again along lines suggested by ECA experts. (One of them, however, complained to the writer that George Kartalis, Finance Minister in the Plastiras cabinet, had too many good ideas and wanted to put them into effect too quickly. This is the only time I ever heard an American level *that* particular accusation against a Greek minister!) Acting on the recommendations of a committee appointed by the short-lived Venizelos government, the new government removed the commandant of the Makronissos concentration camp, under whose administration serious abuse of prisoners had taken place, and introduced other penal reforms. And it attempted to deal with the ticklish problem of amnesty. But it was on this issue that it fell.

When the Plastiras government came to power, it found over 30,000 political prisoners in Greece, including about 3,000 under sentence of death. In proportion to population this was a figure comparable to what Hitler's Germany had had. Few of these prisoners, moreover, had ever been convicted by the regular Greek civil courts. Many had been sentenced by the special courts-martial, which had jurisdiction over political offenses throughout the whole of Greece. Even more were held without trial—a few even, almost six years after the liberation of Greece, for crimes committed against the quisling gov-

ernment and the German occupation authorities! The demand for an amnesty had formed an important plank in Plastiras's electoral platform. But he was able to move no further in this direction than his coalition partners were willing to permit. Consequently, a compromise was arrived at whereby all three government parties agreed to the passage of four bills. The first three of these provided procedures for the reexamination of individual cases; the fourth provided an amnesty for most of those who had been sentenced to less than ten years imprisonment. But when the laws were about to be promulgated, the Liberal party of Venizelos—who still desired the prime ministry for himself, and was hence eager to end the coalition—suddenly decided that it could not agree to the fourth. Plastiras agreed to withdraw it, but made clear that he had yielded reluctantly and still thought a broader amnesty desirable. Venizelos charged that he had thereby broken the unity of the coalition and ordered the Liberal ministers to withdraw from the cabinet. Plastiras wished to take the issue to the country, but the King refused to call new elections on the ground that the parliament offered other possibilities for forming a government.

MEANWHILE Henry Grady had been transferred to Iran in accordance with that most hallowed tradition of the American foreign service which recognizes that when a man has been in a country long enough to become really useful, he must be removed to another post as speedily as possible. The Greek right, which had been predicting Grady's removal ever since he first stepped on its toes, naturally regarded this as a triumphant demonstration of its influence in Washington and acted accordingly. Venizelos attempted to secure a vote of confidence for an all-Liberal cabinet, and, when he failed, was persuaded by the palace to form a coalition with Papandreou and Tsaldaris. The Populists were later forced out of the government, and the Populist party itself split, by a series of revelations concerning the peculations of various of

Tsaldaris's friends the last time the party had held office. Nevertheless, Venizelos managed to continue as the Prime Minister of a succession of minority cabinets, in collaboration with Papandreou and later alone, and to persuade a parliamentary majority to tolerate them on one basis or another. But new elections were imperative if Greece was to have a stable government, and the only question was when. One factor which made for delay was the influence of the new American ambassador John Peurifoy, who may have felt that it was up to the Greeks to supply an element of continuity at that time conspicuously lacking in the American personnel in Greece. (Not only was Grady succeeded first by an interregnum and then by Peurifoy, but ECA Mission Chief Paul Porter was promoted to Washington after about one year in Greece—another transfer which the Greek right regarded as a victory for itself—and the command of the American military mission changed twice in a year.)

Another cause of delay was the fear of the right and right center that new elections would mean substantial further gains for EPEK at their expense. This problem was finally resolved by an agreement among the three largest parties to revise the system of proportional representation in such a way as to favor the larger parties—that is, themselves—and eliminate most smaller groups.

If the new election law had worked out as it was intended to, there would have been three large parties, any two of which would have been in a position to form a government. Since there was little prospect of a Plastiras-Tsaldaris coalition, this meant in effect that Venizelos would be able to choose at all times between a right-wing partner and a left-wing one, and hence be in a position to determine policy fairly continuously. This prospect was reportedly not unpleasing to the American Embassy, which had always found Venizelos a most agreeable man, ready to renew on the formation of each new cabinet under his prime ministership all the promises he had made after forming the previous ones.

Unfortunately for some of the mice and

men who had laid these plans, the palace again intervened—this time unintentionally. The King's appointment of the notoriously political general Ventiris as his military aide, together with some of the intrigues of the political director of the royal household, Boulis Metaxas, so incensed Field Marshal Papagos that he offered his resignation as commander-in-chief. Papagos, who with American backing had done a rather good job in reducing politics and corruption and increasing efficiency in the armed forces (although there was still a long way to go), had previously resisted all efforts to drag him into politics as the leader of a united rightist front. Now, however, he found all the political parties—which feared him as a potential rival—rallying to the support of the King against him. As a result he decided, after some months of sulking in his tent, to enter the elections as head of a new party called the Greek Rally. The principles of this party were not particularly clear; indeed, Papagos's policy speech sounded strangely like the pronouncements of Plastiras and even Venizelos. All called for a larger share in the national product for labor; all said Greece must make better use of American aid and be less dependent on it; all promised to combine economy in government with increased social services and better treatment for the civil servants; and all were of course for the closest cooperation with the United States in the international field and against Communism and all other forms of sin. Behind this similarity of language, however, real differences existed between the Plastiras and Papagos parties. Papagos's closest adviser, Spiros Markezinis, indeed recognized the need for major political and economic reforms similar to those advocated by Plastiras (and in large measure by ECA). But much of his support, and most of his candidates, came from those elements which had been the most obstinate opponents of reform.

WHEN, on September 9, 1951, the voters finally went to the polls, the three major parties received approximately 80 per

cent of the vote, and, by virtue of the new electoral law, 95 per cent of the seats in parliament. Tsaldaris, with 6.5 per cent of the vote, received only 2 seats out of 258 under the electoral law of which he had been a co-sponsor. But no party had a majority. Papagos led with 36.5 per cent of the votes and—when the allocation of mandates was completed after a month and a half of vote-counting and court battles—114 seats out of 258. But he had declared that he would under no circumstances collaborate with any other party, and he rejected a proposal of the King and Plastiras—now at last on good terms despite the fact that the royal family and the General had in the past taken turns in exiling each other—that he head an all-party government. (This solution was reputedly the one which the Americans regarded with the greatest favor; they certainly shuddered at Papagos's demand that the situation be resolved by immediate new elections under the majority system, a proposal which would inevitably have paralyzed the Greek government for some additional months.) The only other possibility offered by the composition of the new parliament was that of forming a Plastiras-Venizelos coalition, which commanded a parliamentary majority, though not an imposing one.

In the new government, the policies of Plastiras appear to be taking precedence over those of Venizelos. In the economic field, all the principal ministries have gone to members of EPEK. The key ministry of coordination has been assigned to George Kartalis, the intellectual leader of EPEK and an admirer of the British Labor party. And the government has called back as its economic adviser Greece's outstanding expert in this field, Kyriakos Varvaressos. The latter was Finance Minister for several months in 1945, and in that capacity made the one real effort since the war to reorganize Greece's economic and fiscal system in the interests of the Greek people as a whole. As a result, he earned the undying enmity of every entrenched economic group, and was driven from office by a well-financed press

campaign. The action of the new government in calling him back is a welcome guarantee that it will really attempt to stop up some of the leaks which have drained off a painfully large part of American aid in the past, and to force the well-to-do to bear some of the sacrifices which have hitherto been the monopoly of the Greek workers and peasants.

Although collaboration between Plastiras and Venizelos had previously broken down, ostensibly at least, over the amnesty issue, this did not prove a major obstacle to agreement. Nor is this altogether surprising, since the various Venizelos governments of the past year actually released about one-third of all the remaining political prisoners in Greece. The new coalition has agreed on measures which will free approximately half of those now left. Moreover, concentration camps and special courts-martial are to be abolished. Political cases will be brought before the regular courts, and persons whom it is still deemed necessary to hold under administrative detention will be sent to inhabited islands rather than held as prisoners. Seven such detainees, elected to parliament on a crypto-Communist ticket, have been released to take their seats. (Although the Communist party is illegal, its *alter ego*, the United Democratic Left, polled 10.5 per cent of the vote in the recent elections, and an Athens daily newspaper follows the party line faithfully.) The Minister of the Interior, responsible for carrying out amnesty measures as well as for administering policy on security questions in general, is Constantine Rendis, who last year went over from the Liberals to EPEK on the amnesty issue.

ALL in all, the new government is likely to achieve a large degree of political reform, and to liquidate much of the after-effects of the civil war. And in the economic field it may be expected to cooperate in fact as well as on paper in introducing most of the reforms which ECA proposes, and even to think up a few of its own.

Yet neither this government nor any other is likely to solve the basic economic problem

of Greece. For the simple fact is that Greece has a population twice what her eroded soil and meager natural resources are capable of supporting on a decent standard of living. Nor is industrialization a solution, although it can offer a certain degree of relief. Neither Greece's internal market nor her resources, including potential sources of power, are such as to permit large-scale or low-cost production. Her luxury agricultural exports, particularly fruit and tobacco, find themselves competing in an ever less favorable market. Her industrial products are potentially salable only in the Middle East, where a transportation differential gives them some hope of competing with goods from Western Europe and the United States. Yet even here, the probable rapid industrialization of some of the Arab states and Turkey—even if political considerations continue to minimize effective Israeli competition—make the market for Greek manufactures problematical at best. A considerable improvement could, indeed, be secured by mobilizing the very large foreign exchange earnings of Greek shipping and Greek investments abroad, as well as the income from Greek emigrant remittances. By and large, the first two sources of revenue now flow away from Greece entirely, into bank accounts in New York, London, or Zurich, while emigrant remittances serve to facilitate capital flight by means of black-market transactions.

No doubt Varvaressos and Kartalis will attempt to plug these leaks, and they may succeed in accomplishing at least a small amount in this direction. But any really substantial success would require the development of a sense of patriotism and public responsibility on the part of Greece's financial interests, a conviction on their part that Greece was as safe and profitable a place to invest as any other—neither of these possibilities seems at the moment to deserve serious consideration—or the active cooperation of the American and British treasuries in ferreting out and mobilizing privately held Greek resources in the two countries. There are precedents for such action and it could be profitable to the countries concerned, par-

ticularly, at the moment, our own. But it would undoubtedly meet with resistance from many powerful groups both in Wall Street and in the City.

For the present and the foreseeable future, Greece's balance of payments is going to require a substantial foreign—i.e., American—subsidy if even the present standard of living is to be maintained. And that standard, for the Greek masses, is today the lowest in Marshall Plan Europe, with the possible exception of the Iberian Peninsula. Yet mere maintenance of that standard is not enough. If it does not rise—and it has even fallen slightly since the inception of the Marshall Plan because our efforts to freeze wages and prices have been more successful with regard to the former than the latter—then all the political gains which democracy has made since the end of the civil war will be imperiled, and Greece will once again be faced with the danger of polarization between the advocates of Communist and of fascist dictatorship.

OUR operation in Greece has been successful in solving the most immediate problems facing that country. We have rescued it from a Communist triumph which, without our intervention, would surely have occurred. We have prevented the right from using our aid to entrench itself and destroy democracy in its own interest. But we have still not shown that awareness of the interaction between political and economic factors which the situation demands. We have demanded continual sacrifice from the Greek workers and peasants so that a larger portion of our aid might be devoted to a more rapid program of industrialization—though it was clear that such a program could never by itself solve the basic economic problem of Greece; and the Greek masses will scarcely feel very grateful for American economic aid unless it takes a form whose benefits they can immediately enjoy. We have spent ECA funds on the purchase of labor-saving machinery for a country in which labor is one of the few things always available in

superabundance, when we could have utilized these funds far more usefully to provide some amelioration of the workers' standard of living.

Moreover, while our policy when we had one has been considerably more apt to be good than bad, we have frequently been without one at crucial moments, and have even more frequently hesitated to press it in deference to a fetish of non-interference. (In this we have not been consistent; sometimes, while refusing to interfere on major questions of policy, we have simultaneously laid down the law on minor details of administration.) But since our presence in Greece obviously is interference, and has completely altered the previous balance of forces within the country, we have not been able to escape the responsibility for even those policies which we most vehemently disapproved. Everybody in Greece knows that we are in a position to impose our policy on any question if we are so inclined, hence it is generally assumed that we do. And since, with rare exceptions, we have carefully refrained from informing the Greek public of our stand on any question unless we had already reached an agreement with the government of the day, governments have found it very easy to shift the responsibility for unpopular acts—or more frequently failures to act—to our shoulders. This is all the more unfortunate in view of the fact that there has actually been a far higher degree of agreement, in most cases, between the American representatives in Greece and the ordinary people of that country than between either and most Greek governments.

In short, we have done a much better job in Greece than might have been expected, in view of our inexperience as a nation and lack of preparation of most of our representatives for the complexities of the Greek political and economic scene. But we have not as yet done anywhere near the job—particularly on the political side—that we must do if we are to maintain Greece as a strong and dependable ally in the struggle for a democratic world.